

STATE OF WASHINGTON



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	
	)	ORDER NO. D05-374
EXECUTIVE RISK INDEMNITY INC.	)	
	)	CONSENT AND ORDER
Authorized Insurer	)	LEVYING A FINE

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**FINDINGS OF FACT**

1. Executive Risk Indemnity Inc. ("ERI") is authorized to conduct insurance business in the State of Washington.
2. ERI issued professional liability insurance to health care facilities and attorneys in Washington from 2001 through 2004.
3. ERI issued professional liability insurance to hospitals in 2004.
4. Although ERI had reportable data for these lines that should have been included on its special liability reports, ERI's special liability reports for 2001 through 2004 all indicated that it had no data to report for any of the types of insurance listed on the reporting form.
5. The claim data for hospital policy types in the company's Supplements A to Schedule T in its annual statements for the years 2001 through 2003 was similarly inaccurate.
6. Chubb & Son, a division of Federal Insurance Company, ("Chubb") prepared and filed the inaccurate reports with the OIC on behalf of ERI.

**CONCLUSION OF LAW**

By filing inaccurate Special Liability Reports from 2001 through 2004, Executive Risk Indemnity Inc. violated 48.05.390 and WAC 284-07-010 .

**CONSENT TO ORDER**

NOW, THEREFORE, Executive Risk Indemnity Inc. consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of the company's fine on such terms and conditions as are set forth below:

Consent and Order Levying a Fine Upon Executive Risk Indemnity Inc.

1. ERI consents to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of the Order and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of the Order;
2. Within thirty days of the entry of this Order, ERI agrees to pay to the OIC a fine in the amount of \$20,000;
3. Failure to pay the fine set forth in paragraph two shall constitute grounds for the revocation of ERI's certificate of authority; and
4. ERI understands and agrees that any future failure to comply with the statutes which are the subject of this Order constitutes grounds for further penalties which may be imposed in direct response to that further violation.

EXECUTED this 1<sup>st</sup> day of November, 2005.

EXECUTIVE RISK INDEMNITY INC.

By: \_\_\_\_\_

Title: Vice President

**ORDER OF THE INSURANCE COMMISSIONER**

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Executive Risk Indemnity Inc. is ordered to pay a fine in the amount of \$20,000.
2. The company's failure to pay the fine within the time limit set forth above shall result in the revocation of the insurer's Certificate of Authority, and in the recovery of the fine through a civil action brought on behalf of the commissioner by the attorney general.

ENTERED AT TUMWATER, WASHINGTON this 7th day of November, 2005.

Mike Kreidler

Washington State Insurance Commissioner

By: \_\_\_\_\_

Andrea L. Philhower

Staff Attorney, Legal Affairs Division